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SUBJECT: UN SEEKS INSTRUCTIONS TO DEPOSIT BALANCE OF FUNDS
FROM THE TRUST FUND TO SUPPORT THE UNITED NATIONS INTERIM
ADMINISTRATION IN KOSOVO

USUN has faxed to IO/PSC-Douglas Wake a note dated May 20, 2007 from UN Controller Warren Sach to Ambassador Mark D. Wallace, U.S. Representative to the United Nations referring to a U.S. contribution of \$4,000,000 to the Trust Fund to Support the United Nations Interim Administration in Kosovo in support of the Stipend Payment Project for which an unencumbered balance in the amount of \$398,877.13 remains payable to the U.S. Government. Mr. Sach requests that instructions be provided as to the disposition of this amount, including its utilization for the funding of other extra-budgetary activities of the United Nations. If the unencumbered balance is to be returned please provide electronic transfer payment instructions. Text of note follows:

Begin Text:

Dear Mr. Ambassador,

I have the honour to refer to the Trust Fund to Support the United Nations Interim Administration in Kosovo which was established for the purpose of restoring essential services in Kosovo and included provisions for the payment of salaries to civilian administrators in Kosovo (Stipend Payment Project). These services had been broadly defined to include, but not limited to, basic civilian administrative functions, such as policing, judiciary, local government, education, health, shelter, sanitation, water, telecommunications and transport.

It will be recalled in this connection that the Government of the United States of America made a contribution to the Trust Fund in the amount of US\$4 million earmarked to support the Stipend Payment Project.

A further review of the Trust Fund accounts indicated that of the total amount of US\$14,457,713.90 authorized by the contributing Governments for the payment of stipends, actual disbursements upon the completion of the Stipend Payment Project on 31 December 1999 amounted to US\$13,408,523.35, resulting in an unencumbered balance of US\$1,049,190.55 (equivalent to Euros 1,022,583.76, the currency in which the unutilized funds were kept in the Trust Fund bank account). Based on the United Nations operational rate of exchange as at December 2006, the unencumbered balance amounted to US\$1,441,550.88, inclusive of the accrued interest income in the amount of US\$96,045.57.

In this regard, we have determined that your Government's prorated share in the total unencumbered balance of \$1,441,550.88 in the Trust Fund to Support the United Nations Interim Administration in Kosovo with respect to the Stipend Payment Project amounted to US\$398,877.13.

It would be appreciated accordingly if the Government of the United States of America could provide instructions as to the

disposition of its share of the unencumbered balance in the amount of US\$398,877.13 including its utilization for the funding of other extra-budgetary activities of the United Nations. Should your Government wish to have the unencumbered balance returned to it, kindly provide electronic transfer payment instructions.

On behalf of the Secretary-General, I wish to express our appreciation to the Government of the United States of America for its generous support provided to United Nations peacekeeping activities in Kosovo.

Yours Sincerely,

Warren Sach
Assistant Secretary-General
Controller

End Text.

KHALILZAD